

Estimated Hearing Date: October 30, 2019 at 9:30 a.m. (AST)

Objection Deadline: August 5, 2019 at 4:00 p.m. (AST)

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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)  
In re: ) PROMESA  
) Title III  
THE FINANCIAL OVERSIGHT AND )  
MANAGEMENT BOARD FOR PUERTO RICO, ) No. 17 BK 3283-LTS  
)  
as representative of ) **Re: ECF 3269**  
)  
THE COMMONWEALTH OF PUERTO RICO, *et al.*, ) (Jointly Administered)  
)  
Debtors.<sup>1</sup> )  
)  
----- X

**SUMMARY OF FIFTH AND FINAL APPLICATION OF DLA PIPER FOR  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE PUERTO RICO  
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY AND  
THE PUERTO RICO TREASURY DEPARTMENT FOR THE PERIOD  
FROM JUNE 1, 2017 THROUGH APRIL 30, 2019**

Name of Applicant: DLA Piper (Puerto Rico) LLC and DLA Piper  
LLP (US)

Authorized to Provide Professional Services to: Puerto Rico Fiscal Agency and Financial  
Advisory Authority (“AAFAF”) as the entity  
authorized to act on behalf of the  
Commonwealth of Puerto Rico, and the Puerto  
Rico Treasury Department

Date of Retention: July 5, 2017

Period for which compensation and  
reimbursement are sought: June 1, 2017 through April 30, 2019

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780 LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Amount of Final Compensation sought as actual, reasonable, and necessary: \$3,144,379.59

Amount of Final Expense Reimbursement sought as actual, reasonable, and necessary: \$40,693.07

This is a(n): \_\_\_monthly X interim X final application<sup>2</sup>

Blended Rate in this application for attorneys: \$ 610.29 / hour

Blended Rate in this application for all timekeepers: \$ 601.52 / hour

### Prior Interim Fee Applications and Adjustments

Date [Docket No.]	Interim Fee Period	Requested		Approved	
		Fees Requested	Expenses Requested	Fees Approved	Expenses Approved
3/21/2018 [Dkt. No. 2778]	June 1, 2017 through January 31, 2018	\$1,507,737.15	\$14,969.63	\$1,400,737.15	\$14,169.63
7/16/2018 [Dkt. No. 3569]	February 1, 2018 through May 31, 2018	\$902,090.92	\$15,937.82	\$869,326.85	\$11,153.56
11/16/2018 [Dkt. No. 4277]	June 1, 2018 through September 30, 2018	\$389,904.00	\$11,379.97	\$370,142.79	\$11,379.97
3/18/2019 [Dkt. No. 5801]	October 1, 2018 through January 31, 2019	\$152,473.00	\$568.53	<i>Pending</i>	<i>Pending</i>
	February 1, 2019 through April 30, 2019	\$351,699.80	\$3,421.38	<i>Pending</i>	<i>Pending</i>
<b>Total Fees and Expenses approved by interim orders to date:</b>				\$2,640,206.79	\$36,703.16

<sup>2</sup> AAFAF has requested that DLA Piper submit interim applications for compensation and reimbursement. DLA Piper reserves its right to argue that it is not subject to the requirements of the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 3269].

**Prior Monthly Fee Statements Filed:**

<b>Compensation Period</b>	<b>Fees Incurred</b>	<b>Fees Requested (90%)</b>	<b>Expenses Requested</b>
June 1, 2017 through June 30, 2017	\$ 86,058.90	\$ 77,453.01	\$ 0.00
July 1, 2017 through July 31, 2017	\$292,934.30	\$263,640.87	\$1,045.02
August 1, 2017 through August 31, 2017	\$205,846.25	\$185,261.63	\$1,488.34
September 1, 2017 through September 30, 2017	\$114,535.95	\$103,082.36	\$ 0.00
October 1, 2017 through October 31, 2017	\$174,916.55	\$157,424.90	\$ 0.00
November 1, 2017 through November 30, 2017	\$238,724.00	\$214,851.60	\$1,573.11
December 1, 2017 – December 31, 2017	\$215,965.35	\$194,368.82	\$9,507.31
January 1, 2018 – January 31, 2018	\$228,755.85	\$205,880.26	\$1,355.85
February 1, 2018 through February 28, 2018	\$218,949.47	\$197,054.52	\$2,008.08
March 1, 2018 through March 31, 2018	\$249,006.14	\$224,105.52	\$8,030.35
April 1, 2018 through April 30, 2018	\$209,516.25	\$188,564.62	\$3,908.33
May 1, 2018 through May 31, 2018	\$224,697.10	\$202,227.39	\$1,991.06
June 1, 2018 through June 30, 2018	\$245,689.20	\$221,120.28	\$11,206.33
July 1, 2018 through July 31, 2018	\$55,011.40	\$49,510.26	\$79.46
August 1, 2018 through August 31, 2018	\$45,859.20	\$41,273.28	\$107.30
September 1, 2018 through September 30, 2018	\$43,344.20	\$39,009.78	\$10.40
October 1, 2018 through October 31, 2018	\$51,877.50	\$46,689.75	\$542.02
November 1, 2018 through November 30, 2018	\$39,314.40	\$35,382.96	\$0.00
December 1, 2018 through December 31, 2018	\$43,492.20	\$39,142.98	\$0.00
January 1, 2019 through January 31, 2019	\$17,873.00	\$16,085.70	\$26.51
February 1, 2019 through February 28, 2019	\$119,092.30	\$107,183.07	\$1,450.23
March 1, 2019 through March 31, 2019	\$122,431.20	\$110,188.08	\$748.38
April 1, 2019 through April 30, 2019	\$110,176.30	\$99,158.67	\$1,222.77

**Payments Made to Date<sup>3</sup>:**

Compensation Period	Fees Paid	Expenses Paid
June 1, 2017 – June 30, 2017	\$ 84,141.45	\$ 0.00
July 1, 2017 – July 31, 2017	\$263,640.87	\$ 1,045.02
August 1, 2017 – August 30, 2017	\$192,090.28	\$ 1,488.34
September 1, 2017 – September 30, 2017	\$103,082.36	\$ 0.00
October 1, 2017 – October 31, 2017	\$157,424.90	\$ 0.00
November 1, 2017 – November 1, 2017	\$214,379.09	\$ 1,573.11
December 1, 2017 – December 31, 2017	\$191,423.28	\$ 5,305.12
January 1, 2018 – January 31, 2018	\$199,480.71	\$ 5,558.32
February 1, 2018 through February 28, 2018	\$192,167.36	\$ 2,008.08
March 1, 2018 through March 31, 2018	\$214,014.70	\$ 3,752.21
April 1, 2018 through April 30, 2018	\$183,023.09	\$ 3,908.33
May 1, 2018 through May 31, 2018	\$194,238.96	\$ 1,991.06
June 1, 2018 through June 30, 2018	\$212,154.79	\$11,182.81
July 1, 2018 through July 31, 2018	\$ 0.00	\$ 0.00
August 1, 2018 through August 31, 2018	\$ 35,364.15	\$ 0.00
September 1, 2018 through September 30, 2018	\$ 32,508.09	\$ 368.62
October 1, 2018 through October 31, 2018	\$ 30,722.48	\$ 173.40
November 1, 2018 through November 30, 2018	\$ 0.00	\$ 0.00
December 1, 2018 through December 31, 2018	\$ 0.00	\$ 0.00
January 1, 2019 through January 31, 2019	\$ 0.00	\$ 0.00
February 1, 2019 through February 28, 2019	\$ 0.00	\$ 0.00
March 1, 2019 through March 31, 2019	\$ 0.00	\$ 0.00
April 1, 2019 through April 30, 2019	\$ 0.00	\$ 0.00
<b>TOTAL PAID:</b>	<b>\$2,499,856.57</b>	<b>\$38,354.42</b>
<b>TOTAL AMOUNT OWED:</b>	<b>\$644,523.02</b>	<b>\$2,235.65</b>

<sup>3</sup> The monthly amounts of payments made to date listed here differ nominally from those listed in DLA Piper's Interim Fee Applications due to subsequent accounting reconciliation.

**TABLE OF SCHEDULES**

**Schedule 1** – List and Summary of Hours by Professional

**Schedule 2** – Summary of Hours and Compensation by Matter Code

**Schedule 3** – Expense Summary

**Schedule 4** – Customary and Comparable Compensation Disclosures

**Schedule 5** – Comparison of Actual Fees Against Budgeted Fees

**Schedule 1**

**LIST AND SUMMARY OF HOURS AND COMPENSATION BY PROFESSIONAL**

<b>Name</b>	<b>Title or Position</b>	<b>Hourly Rate Billed in This Application</b>	<b>Hours Billed in This Application</b>	<b>Total Compensation Sought</b>
Albanese, Rachel Ehrlich / 2001	Partner	\$950/\$935/\$841	139.00	\$119,062.40
Bernstein, Matthew / 1992	Partner	\$995	0.50	\$447.75
Blanchard, James J. / 1968	Partner	\$1,220	2.00	\$2,440.00
Buxeda, Nikos / 1995	Partner	\$250	25.00	\$6,250.00
Cerezo, Francisco / 1996	Partner	\$830	35.00	\$29,050.00
Figueroa, Miriam / 1995	Partner	\$290/ \$245	68.70	\$18,573.00
Franceschi, Kristin H.R. / 1986	Partner	\$855	210.50	\$179,977.50
Friedman, Mark / 1977	Partner	\$832	90.40	\$75,212.80
Ikonero-Mugabi, Frank / 2004	Partner	\$890	38.70	\$34,443.00
Langhirt, Joseph / 1973	Partner	\$994	0.50	\$497.00
Lopez-Zambrana, Manuel /1987	Partner	\$327/ \$295	905.80	\$283,844.30
Merrigan, John / 1973	Partner	\$1135 / \$1021	856.57	\$934,087.90
Meshulam, Deborah / 1981	Partner	\$1,030	0.60	\$556.20
Migdail, Evan / 1979	Partner	\$965 / \$868	406.40	\$369,854.30
Minor, William / 1995	Partner	\$930/ \$837	10.10	\$9,365.10
Narayan, Maruti R. / 2004	Partner	\$895	163.70	\$146,511.50
Phillips, Steven R. / 1987	Partner	\$896	7.50	\$6,720.00
Reemer, Ellis / 1975	Partner	\$1,044	1.60	\$1,670.40
Rogers, Phillip / 1983	Partner	\$1,245	4.00	\$4,980.00
Sanchez, Ignacio / 1986	Partner	\$1075 / \$ 967	89.45	\$95,565.75
Sharkey, Stephen / 1987	Partner	\$918	5.50	\$5,049.00
Sosa- Llorens, Jose A. /1992	Partner	\$290/ \$245	203.50	\$49,858.00
Fernandez-Buitrago, Ileana /1977	Of Counsel	\$290/ \$245	32.50	\$8,858.00
Figueroa Rodriguez, Diego R. / 1999	Of Counsel	\$675 / \$607	524.50	\$327,616.37
Fortuna, Andres / 1999	Of Counsel	\$220	8.30	\$1,826.00
Alvarez, Camille / 2010	Associate	\$150	13.00	\$2,592.00
Callahan, Virginia / 2014	Associate	\$477 /\$475	264.70	\$126,259.70
Cheng, Joy /2016	Associate	\$460 / \$414	31.50	\$14,260.00

Name	Title or Position	Hourly Rate Billed in This Application	Hours Billed in This Application	Total Compensation Sought
Elefant, Jonathan / 2010	Associate	\$527	5.50	\$2,898.50
Garcia, Melanie / 2012	Associate	\$617	0.60	\$370.02
Hansen, Joseph / 2013	Associate	\$670	20.20	\$13,534.00
Kreisheh, Nicole / 2017	Associate	\$470	32.40	\$15,228.00
Ortiz-Chiqués, Elena / 2015	Associate	\$153 / \$130	233.70	\$31,337.80
Perez-Rentas, Adriana / 2013	Associate	\$200 / \$180 / \$140	45.70	\$9,140.00
Riefkohol, Hans / 2016	Associate	\$130	12.60	\$1,638.00
Ritter, Sarah / 2012	Associate	\$558	84.60	\$47,206.80
Rodriguez-Ortiz, Joseline / 2016	Associate	\$400 / \$360	14.60	\$5,416.00
Kierig, Anne / 2005	Attorney	\$535	21.60	\$11,556.00
Feliciano, Juan Carlos / 2010	Contract Attorney	\$180	2.70	\$486.00
Beard, Kimberly	Paralegal	\$320	7.30	\$2,336.00
Countryman, William Lee	Paralegal	\$335 / \$301	19.90	\$6,452.45
Ford, Jenny	Paralegal	\$280 / \$243	2.10	\$520.57
Fox, Carolyn	Paralegal	\$238	3.10	\$721.14
Lam Guerra, Yohami	Paralegal	\$325	1.30	\$422.50
Lisko, Stephanie	Paralegal	\$238	4.60	\$1,094.80
Bell, Nathaniel	Senior Advisor	\$745	2.00	\$1,490.00
Gierach, Melissa	Senior Advisor	\$525 / \$472	462.51	\$236,761.65
Krologos, Tom	Senior Advisor	\$940	13.00	\$12,220.00
Woolley, Jessica	Consultant	\$297	1.00	\$297.00
Davila, Luis / 2011	Consultant / Associate	\$441 / \$330 / \$297	716.80	\$217,346.10
Guarin, John	Project Manager	\$865 / \$859	6.50	\$5,617.10
Miller, Rebecca	Research Assistant	\$380	1.30	\$494.00
Simmons, Joseph	Specialist	\$305	4.30	\$1,311.50
Thomson, Sandra Brown	Case Assistant	\$144	2.10	\$302.40
<b>TOTAL</b>			<b>5861.53</b>	<b>\$3,303,904.87<sup>4</sup></b>

<sup>4</sup> Includes embedded discounts.

**Schedule 2**

**SUMMARY OF HOURS AND COMPENSATION BY MATTER CODE**

<b>Task Code</b>	<b>Matter Description</b>	<b>Total Hours Billed</b>	<b>Total Fees Requested</b>
<b><i>Commonwealth Title III Case</i></b>			
<b>Tax</b>	This category includes all matters relating to tax issues of the Commonwealth, including work related to the tax reform in Washington DC and in Puerto Rico.	<b>3541.60</b>	<b>\$2,026,659.25</b>
<b>Business Operations</b>	This category includes all matters relating to the day-to-day business, financial advice and fiscal agency operations of the Authority for itself and on behalf of the Government and its agencies, as well as advising the Commonwealth, the Authority and its instrumentalities with respect of post-issuance tax compliance of their municipal obligations.	<b>1,518.93</b>	<b>\$928,436.92</b>
<b>Fee Applications</b>	This category relates to DLA Piper's Title III interim and monthly fee applications for the months of June 2017 through April 2019.	<b>801.00</b>	<b>\$348,808.70</b>
<b>Grand Total</b>		<b>5861.53</b>	<b>\$3,303,904.87</b>



**Schedule 3**

**EXPENSE SUMMARY**

<b>Category</b>	<b>Amount</b>
Out-of-Town Travel	\$17,983.92
Out-of-Town Transportation	\$3,792.50
Out-of-Town Meals	\$1,501.59
Lodging	\$21,332.05
Miscellaneous	\$1,667.27
<b>Grand Total</b>	<b>\$46,277.33</b>

**Schedule 4**

**CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES**

<b>Category of Timekeeper</b>	<b>Blended Hourly Rate</b>	
	<b>Billed DLA Piper's Domestic Offices for FY'18 (Excluding Restructuring Matters)</b>	<b>Billed This Case During the Compensation Period</b>
Partner	\$854.90	\$735.16
Of Counsel	\$740.12	\$604.49
Associate	\$579.14	\$340.12
Paralegal	\$282.42	\$305.18
Senior Advisor	\$608.91	\$914.00
Policy Advisor	\$480.19	\$516.86
Project Manager	\$674.51	\$864.17
Project Assistant	\$153.84	\$144.00
Specialist	\$341.49	\$305.12
Research Staff	\$337.45	\$380.00
<b>All Timekeepers Aggregated:</b>	\$687.34	\$601.52

**Schedule 5**

**COMPARISON OF ACTUAL FEES AGAINST BUDGETED FEES**

The budget for the work of DLA Piper (Puerto Rico) LLC and DLA Piper LLP (US) for the entire fiscal year through June 30, 2018 was \$2,700,000, as set forth in the 2018 Engagement Contract (as defined below). The total amount incurred through June 30, 2018, including applied discounts, was \$2,655,517.27.

The budget for the work of DLA Piper LLP (US) for the entire fiscal year through June 30, 2019 is \$1,050,000.00, as set forth in the 2019 Engagement Contract (as defined below).<sup>1</sup> The total amount incurred through April 30, 2019, including applied discounts, was \$648,387.60.

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<sup>1</sup> The 2019 Engagement Contract was amended on April 30, 2019 to add \$250,000 to the budget for the work of DLA Piper LLP (US), which increased the budget from \$800,000 to \$1,050,000.

Estimated Hearing Date: October 30, 2019 at 9:30 a.m. (AST)

Objection Deadline: August 5, 2019 at 4:00 p.m. (AST)

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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	)	
In re:	)	PROMESA
	)	Title III
THE FINANCIAL OVERSIGHT AND	)	
MANAGEMENT BOARD FOR PUERTO RICO,	)	
	)	
as representative of	)	No. 17 BK 3283-LTS
	)	
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> ,	)	(Jointly Administered)
	)	
Debtors. <sup>1</sup>	)	<b>Re: ECF No. 3269</b>
	)	
	X	

**FIFTH AND FINAL APPLICATION OF DLA PIPER FOR ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF  
EXPENSES AS COUNSEL TO THE PUERTO RICO FISCAL AGENCY AND  
FINANCIAL ADVISORY AUTHORITY AND THE PUERTO RICO TREASURY  
DEPARTMENT FOR THE PERIOD FROM JUNE 1, 2017 THROUGH APRIL 30, 2019**

DLA Piper LLP (US) and DLA Piper (Puerto Rico), LLC (together, “DLA Piper”), as authorized counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), the entity authorized to act on behalf of public corporations and instrumentalities of the Government of Puerto Rico in the above-captioned cases under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), pursuant to the authority granted to AAFAF under the Enabling Act of the Fiscal Agency and Financial Advisory

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780 LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Authority, Act 2-2017, and on behalf of the Puerto Rico Treasury Department, makes this fifth and final application (this “Application”) for allowance of compensation, under PROMESA sections 316 and 317, of \$3,144,379.59 and reimbursement of expenses of \$40,693.07 for the period from June 1, 2017 through April 30, 2019 (the “Compensation Period”).<sup>2</sup> In support of this Application, DLA Piper respectfully states as follows:

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Application pursuant to PROMESA § 306(a).
2. Venue is proper before this Court pursuant to PROMESA § 307(a).
3. The statutory bases for the relief requested herein are PROMESA §§ 316 and 317.

### **BACKGROUND**

4. On May 3, 2017, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), acting as the representative of the Commonwealth of Puerto Rico (the “Commonwealth”), filed with this Court a petition under Title III of PROMESA (the “Title III Case”).

5. At AAFAF’s request, DLA Piper has submitted monthly fee applications to the Fee Examiner and served those applications on the Notice Parties, as defined in the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 3269]. No party has raised a formal objection to any of DLA Piper’s monthly fee applications.

6. On March 19, 2018, DLA Piper filed the *First Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico*

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<sup>2</sup> AAFAF has requested that DLA Piper submit this final application for compensation and reimbursement. DLA Piper reserves its right to argue that it is not subject to the requirements of the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 3269].

*Treasury Department for the Period from June 1, 2017 through January 31, 2018* [ECF No. 2753]. On March 21, 2018, DLA Piper filed the *Amended First Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department for the Period from June 1, 2017 through January 31, 2018* [ECF No. 2778] (the “Amended First Interim Application”) seeking compensation in the amount of \$1,507,737.15 and reimbursement of expenses of \$14,969.63. Following discussions with the Fee Examiner, DLA Piper and the Fee Examiner agreed on certain adjustments to the total amount sought in the Amended First Interim Application. The Court entered an order on July 20, 2019 [ECF No. 3656] approving DLA Piper’s Amended First Interim Application for compensation in the amount of \$1,400,737.15 and reimbursement of expenses of \$14,169.63.

7. On July 16, 2018, DLA Piper filed the *Second Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department for the Period from February 1, 2018 through May 31, 2018* [ECF No. 3569] (the “Second Interim Application”) seeking compensation in the amount of \$902,090.92 and reimbursement of expenses of \$15,937.82. Following discussions with the Fee Examiner, DLA Piper and the Fee Examiner agreed on certain adjustments to the total amount sought in the Second Interim Application. The Court entered an order on January 30, 2019 [ECF No. 4998] approving DLA Piper’s Second Interim Application for compensation in the amount of \$869,326.85 and reimbursement of expenses of \$11,153.56

8. On November 16, 2018, DLA Piper filed the *Third Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses*

*as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority and the Puerto Rico Treasury Department for the Period from June 1, 2018 through September 30, 2018* [ECF No. 4277] (the “Third Interim Application”) seeking compensation in the amount of \$389,904.00 and reimbursement of expenses of \$11,379.97. Following discussions with the Fee Examiner, DLA Piper and the Fee Examiner agreed on certain adjustments to the total amount sought in the Third Interim Application. The Court entered an order on April 26, 2019 [ECF No. 6523] approving DLA Piper’s Third Interim Application for compensation in the amount of \$370,142.79 and reimbursement of expenses of \$11,379.97.

9. On March 18, 2019, DLA Piper filed the *Fourth Interim Application of DLA Piper for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority from October 1, 2018 to January 31, 2019* [ECF No. 5801] (the “Fourth Interim Application”) seeking compensation in the amount of \$152,473.00 and reimbursement of expenses of \$568.53. The Fourth Interim Application remains pending.

#### **COMPENSATION REQUESTED BY DLA PIPER**

10. By this Application, DLA Piper seeks entry of an order granting final approval of (i) compensation in the amount of \$3,144,379.59 for professional services rendered to AAFAF and the Puerto Rico Treasury Department during the Compensation Period, which amount is derived from the applicable hourly billing rates of the firm’s personnel who rendered such services less reductions in the total amount of \$159,525.28 following negotiations with the Fee Examiner; and (ii) reimbursement of actual and necessary out-of-pocket disbursements and charges in the amount of \$40,693.07 incurred in connection with the professional services provided on behalf of AAFAF and the Puerto Rico Treasury Department during the

Compensation Period, less reductions in the amount of \$5,584.26 taken following negotiations with the Fee Examiner.

11. In December 2015, DLA Piper was engaged by the Government Development Bank for Puerto Rico (“GDB”) to provide services regarding (i) tax issues of the Commonwealth, particularly the formulation of a corporate tax reform and (ii) the business operations and continuing disclosure obligations of the Commonwealth and its agencies as issuers of tax exempt debt. Upon the creation of AAFAF and its undertaking of GDB’s duties as fiscal agent and financial advisor of the Commonwealth, those engagements were formally transferred to AAFAF in August 2016, in addition to other matters related to the ongoing engagements, particularly including the preparation of the Commonwealth Report; advocacy efforts in Washington, D.C. to pursue legislation and initiatives that incentivize economic development and protect Puerto Rico’s tax base; and the analysis and formulation of a banking reform. DLA Piper has been providing similar business and disclosure advice since December 2015. DLA Piper has not provided professional services to AAFAF in connection with the Title III case, other than the preparation and filing of fee applications.

12. The scope of DLA Piper’s engagement by AAFAF for fiscal year 2018 was set forth in (i) a contract for the provision of professional services between DLA Piper LLP (US) and AAFAF dated July 7, 2017, and (ii) a contract between AAFAF and DLA Piper (Puerto Rico) LLC (collectively, as have been or may be amended, the “2018 Engagement Contracts”).<sup>3</sup> Pursuant to the 2018 Engagement Contracts, payment of all fees and expenses detailed in this Application were made exclusively by AAFAF from its own allocated funds and from funds allocated by the Puerto Rico Treasury Department. DLA Piper agreed to provide a 10% discount

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<sup>3</sup> Copies of the 2018 Engagement Contracts have been provided to the Fee Examiner and were attached as Exhibit B to the Amended First Interim Fee Application [ECF No. 2778].



on certain professional fees incurred under the Engagement Contracts. In the case of DLA Piper LLP (US) invoices, the discount was reflected in each bill at the bottom of the invoiced fees. In the case of DLA Piper (Puerto Rico) LLC, the discount was higher since it reflected an additional 10% discount after the standard rates were already discounted more than 10%, in order to accommodate AAFAF's request that the work to be done in Puerto Rico be similar to rates of other local law firms used by AAFAF. These discounts were included in the rates.

13. The scope of DLA Piper's engagement by AAFAF for fiscal year 2019 is set forth in a contract for the provision of professional services between DLA Piper LLP (US) and AAFAF, dated July 25, 2018 (the "2019 Engagement Contract").<sup>4</sup> Pursuant to the 2019 Engagement Contract, payment of all fees and expenses detailed in this Application will be made exclusively by AAFAF from its own allocated funds. DLA Piper has agreed to provide at least a 10% discount on certain professional fees incurred under the 2019 Engagement Contract, which discount is reflected in the negotiated rates.

14. DLA Piper's rates are appropriate and fair. In general, there have not been any rate increases during the Compensation Period; in fact, DLA Piper voluntarily decreased its rates as an accommodation to AAFAF.<sup>5</sup>

15. DLA Piper submits that the legal services and advice that it rendered to AAFAF and the Puerto Rico Treasury Department during the Compensation Period were necessary and beneficial to AAFAF and the Puerto Rico Treasury Department. DLA Piper respectfully submits that the requested compensation is reasonable and commensurate with the value of the

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<sup>4</sup> DLA Piper provided the 2019 Engagement Contract to the Fee Examiner on or about August 16, 2018. The non-Title III services performed by DLA Piper (Puerto Rico) LLC for the Puerto Rico Treasury Department are the subject of a separate arrangement with Treasury that is billed separately through Treasury and not subject to the Title III process. DLA Piper (Puerto Rico) LLC is a party to this Application solely with respect to final approval of fees incurred under its 2018 Engagement Contract with AAFAF.

<sup>5</sup> As previously reported, one attorney's rate was increased during the Compensation Period by \$144 per hour (from \$297 to \$441) by agreement between DLA Piper and AAFAF.

professional services it provided to AAFAF and the Puerto Rico Treasury Department, the expertise of the professionals involved, and the unique and complex nature of the proceedings.

16. During the Compensation Period, DLA Piper did not receive any payments or promises of payment from any other source for services rendered or to be rendered in any capacity in connection with the matters covered by this Application. There is no agreement or understanding between DLA Piper and any other third party, other than partners of the firm, for sharing of compensation to be received for services rendered in this case.

### **SUMMARY OF SERVICES**

17. DLA Piper provided essential professional services to AAFAF during the Compensation Period. A summary of such services by matter type is provided in **Schedule 2** at the front of this Application. A detailed description of the services provided by DLA Piper for each of those matters was attached to DLA Piper's applications for interim compensation at Dkt. Nos. 2778, 3569, 4277, and 5801, and attached hereto as **Exhibit B** for the period of February 1, 2019 through April 30, 2019.

a. **Tax** – 3541.60 hours - \$2,026,659.25

This category consists of advice provided to the Puerto Rico Government on matters related to (a) impact of US tax reform on Puerto Rico, (b) possible amendments to the Internal Revenue Code to address related issues, (c) negotiations with the US Treasury Department, on implementation of the Employee Retention Credit, (d) the potential impact of new tax laws, and (e) identification and development of tax proposals to promote economic development in Puerto Rico.

**b. Business Operations** – 1,518.93 hours – \$928,436.92

This category includes all matters relating to the business operations and policies to promote compliance with continuing disclosure and post issuance tax obligations of the Commonwealth and its instrumentalities with respect to the municipal securities they have issued or that are issued on their behalf, pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Securities Act of 1933, as amended, including, in particular, Rule 15c2-12, as amended, promulgated under the Exchange Act, the applicable tax laws, as well as PROMESA, and other applicable rules, regulations, and orders; the preparation of the Commonwealth Report, also in relation to the continuing disclosure obligations of the Commonwealth as described above; the formulation of a banking reform, including incorporating, promoting and regulating modern banking technologies to promote economic growth; and the formulation of policies regarding the regulation and tax treatment of such banking technologies; representing the Commonwealth, AAFAF, and the various issuers of municipal obligations with IRS audits of such obligations; advising the Commonwealth, AAFAF and its instrumentalities with respect to post-issuance tax compliance of their municipal obligations.

**c. Title III Fee Applications** – 801.00 hours – \$348,808.70

This category includes all time spent by DLA Piper professionals and paraprofessionals preparing DLA Piper’s interim and monthly Title III fee applications for the period of June 2017 through April 2019. The February and March monthly fee applications were submitted in June 2019. The last monthly fee application for the month of April 2019 was submitted to the Notice Parties on July 2, 2019 (and no objections were received).

**ATTORNEY CERTIFICATION**

18. In compliance with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4), a representative of DLA Piper has reviewed the requirements of Puerto Rico Local Bankruptcy Rule 2016-1(a)(4) and certifies to the best of her information, knowledge and belief that this Application complies with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4) (to the extent applicable). The Certification of Rachel Ehrlich Albanese is attached as **Exhibit A** hereto.

**RESERVATION OF RIGHTS**

19. DLA Piper reserves the right to request compensation for services and reimbursement of expenses performed for AAFAF and the Puerto Rico Treasury Department during the Compensation Period not captured in this Application in a future application to the Court.

WHEREFORE, DLA Piper respectfully requests that the Court enter an order granting (i) final approval to DLA Piper of (a) compensation for professional services provided during the Compensation Period in the amount of \$3,144,379.59 and (b) reimbursement of actual, reasonable and necessary expenses incurred in the Compensation Period in the amount of \$40,693.07; and (ii) such other relief as is just and appropriate.

Dated: July 15, 2019  
San Juan, Puerto Rico

Respectfully submitted,

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00901-1969  
Puerto Rico

/s/ José A. Sosa-Lloréns

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AND

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/s/ Rachel Ehrlich Albanese

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